

BY repealing and reenacting, with amendments,

Article - Commercial Law
Section 12-103(a) and (c)(1), 12-306(a), 12-404,
12-505(a), 12-506(a) and (h)(1), 12-609(f),
12-610, and 12-634
Annotated Code of Maryland
(1975 Volume and 1981 Supplement)

BY repealing and reenacting, with amendments,

Article - Financial Institutions
Section 6-507, 11-301(b), and 11-302(a)
Annotated Code of Maryland
(1980 Volume and 1981 Supplement)

BY adding to

Article - Commercial Law
Section 12-115, 12-116, 12-117, 12-118, 12-505.1,
12-505.2, 12-505.3, 12-506.2, 12-610.1,
12-610.2, and 14-1302(a)(12)
Annotated Code of Maryland
(1975 Volume and 1981 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That section(s) of the Annotated Code of Maryland read(s) as follows:

Article - Commercial Law

12-103.

(a) (1) Except as provided in subsections (b), (c), (d), (e), and (f) of this section, a lender may charge interest at an effective rate of simple interest not in excess of 8 percent per year on the unpaid principal balance of a loan if there is a written agreement signed by the borrower which sets forth the stated rate of interest charged by the lender.

(2) If a loan made under paragraph (1) of this subsection is secured by the pledge of collateral which is a certificate of deposit held by the borrower, the lender may charge interest at a rate not to exceed 2 percent in excess of the rate of interest payable on the certificate of deposit.

(3) If a loan made under paragraph (1) of this subsection is secured by the pledge of collateral which is other than a savings account or if such loan is unsecured,